

COMANCHE COUNTY FACILITIES AUTHORITY

Audited Financial Statements

June 30, 2024

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CHRISTOPHER C. TURNER CPA PLLC

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INDEPENDENT AUDITORS' REPORT

The Honorable Board of Trustees
Comanche County Facilities Authority
Lawton, Oklahoma

Opinion

We have audited the accompanying modified cash basis financial statements of the business-type activities of Comanche County Facilities Authority (the Authority), Lawton, Oklahoma, a component unit of Comanche County, Oklahoma as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities of Comanche County Facilities Authority, as of June 30, 2024, and the respective changes in modified cash basis financial position, cash flows, fiduciary net position, and fiduciary changes in net position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Comanche County Facilities Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Authority-Only Financial Statements

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position and the changes in financial position of Comanche County Facility Authority. They do not purport to, and do not, present fairly the financial position of Comanche County, Oklahoma, as of June 30, 2024, or the changes in its financial position for the year then ended.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

- Exercise Professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Comanche County Facilities Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (page 25) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements of Comanche County Facilities Authority. The financial statements, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Christopher C. Turner". The signature is fluid and cursive, with the first name and last name clearly legible.

Christopher C. Turner CPA PLLC
Lawton, Oklahoma
March 25, 2025

COMANCHE COUNTY FACILITIES AUTHORITY**Statement of Net Position - Modified Cash Basis**

June 30, 2024

ASSETS	Detention Center	Emergency Management	Total
Current Assets			
Cash and Cash Equivalents	\$ 42,210	\$ 134,944	\$ 177,154
Cash: Restricted - ARPA		351,780	351,780
Total Current Assets	42,210	486,724	528,934
Noncurrent Asset			
Capital Assets - Net of Accumulated Depreciation	5,584,735	182,918	5,767,653
Total Noncurrent Assets	5,584,735	182,918	5,767,653
Other Assets			
Deposits	15,285	10,829	26,114
Total Other Assets	15,285	10,829	26,114
Total Assets	5,642,230	680,471	6,322,701
LIABILITIES			
Current Liabilities			
Payroll Liabilities		1,263	1,263
Lease Liability	21,105		21,105
Unearned ARPA Equipment Grant		351,780	351,780
Total Current Liabilities	21,105	353,043	374,148
Noncurrent Liabilities			
Note Payable CCHFA Fund	277,354		277,354
Lease Liability	3,482		3,482
Total Noncurrent Liabilities	280,836		280,836
Total Liabilities	301,941	353,043	654,984
Net Position			
Net Investments in Capital Assets	5,307,381		5,307,381
Restricted - ARPA		351,780	351,780
Unrestricted	32,908	(24,352)	8,556
Total Net Position	\$ 5,340,289	\$ 327,428	\$ 5,667,717

See Notes to the Financial Statements

COMANCHE COUNTY FACILITIES AUTHORITY**Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis****For the Year Ended June 30, 2024**

	Detention Center	Emergency Management	Total
Operating Revenues			
Sales Tax Appropriations	\$ 5,034,117		\$ 5,034,117
Contract Revenue	331,192		331,192
Comanche County Use Tax		\$ 586,211	586,211
Inmate Revenue	329,509		329,509
Other Income	23,635		23,635
Total Operating Revenue	5,718,453	586,211	6,304,664
Operating Expenses			
Automobile	34,718	17,456	52,174
Depreciation	310,425	31,610	342,035
Facilities Maintenance	126,767	1,867	128,634
Heath Insurance	463,343	32,778	496,121
Inmate Items	19,942		19,942
Inmate Housing	1,463,698		1,463,698
Inmate Medical	1,891		1,891
Inmate Uniforms/Bedding	33,614		33,614
Inmate Food Costs	471,688		471,688
Janitorial Supplies	78,111		78,111
Medical supplies	42,307	22,585	64,892
Miscellaneous	5,350		5,350
Office Expense	109,328	60,774	170,102
Payroll Expense - Wages	2,674,715	264,022	2,938,737
Payroll Expense - Pension	392,957	44,219	437,176
Payroll Taxes	209,517	20,502	230,019
Professional Fees	22,508	4,825	27,333
Radios		1,442,830	1,442,830
Staff Uniforms, Supplies, & Misc.	1,505	1,288	2,793
Supplies	23,236	727	23,963
Travel & Training	11,233	14,497	25,730
Utilities	291,637	2,303	293,940
Telephone	17,496	11,434	28,930
Total Operating Expenses	6,805,986	1,973,717	8,779,703
Operating Income (Loss)	(1,087,533)	(1,387,506)	(2,475,039)
Nonoperating Revenues (Expenses)			
ARPA Funds	145,248	1,511,700	1,656,948
Transfer from Comanche County	437,492		437,492
Insurance Proceeds	207,939	21,995	229,934
Total Nonoperating Revenues	790,679	1,533,695	2,324,374
Change in Net Position	(296,854)	146,189	(150,665)
Net Position Transfer	2,361	(2,361)	
Prior Period Adjustment(Note 13)	47,689		47,689
Net Position - Beginning of Year	5,587,093	183,600	5,770,693
Net Position - End of Year	\$ 5,340,289	\$ 327,428	\$ 5,667,717

See Notes to the Financial Statements

COMANCHE COUNTY FACILITIES AUTHORITY
Statement of Cash Flows - Modified Cash Basis
For the Year Ended June 30, 2024

	<u>Detention Center</u>	<u>Emergency Management</u>	<u>Total</u>
Cash Flows From Operating Activities			
Sales Tax Appropriation	\$ 5,034,117		\$ 5,034,117
Contract Revenue	331,192		331,192
County Use Tax		\$ 586,211	586,211
Inmate Revenue	329,509		329,509
Other Revenue	23,635		23,635
Payments to Employees	(3,278,815)	(329,841)	(3,608,656)
Payments to Suppliers	(3,231,295)	(1,624,193)	(4,855,488)
Net Cash Provided (Used) by Operating Activities	<u>(791,657)</u>	<u>(1,367,823)</u>	<u>(2,159,480)</u>
Cash Flows from Noncapital Financing Activities			
ARPA Funds	145,248	1,511,700	1,656,948
Transfers from Comanche County	437,492		437,492
Net Cash Provided (Used) Noncapital Financing Activities	<u>582,740</u>	<u>1,511,700</u>	<u>2,094,440</u>
Cash Flows from Capital Financing Activities			
Increase Lease Payable	(20,682)		(20,682)
Increase Right of Use	20,682		20,682
Net Cash Provided (Used) by Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities			
Decrease in Unearned ARPA Equipment Grant		(1,511,700)	(1,511,700)
Increase in Capital Assets	(65,140)	(122,753)	(187,893)
Insurance Proceeds	207,939	21,995	229,934
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>142,799</u>	<u>(1,612,458)</u>	<u>(1,469,659)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (66,118)	 (1,468,581)	 (1,534,699)
 Cash and Cash Equivalents - Beginning of Year (See Note 11,13)	 <u>108,328</u>	 <u>1,955,305</u>	 <u>2,063,633</u>
 Cash and Cash Equivalents - End of Year	 <u><u>\$ 42,210</u></u>	 <u><u>\$ 486,724</u></u>	 <u><u>\$ 528,934</u></u>
Reconciliation of Operating Income (Loss) to			
Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (1,087,533)	\$ (1,387,506)	\$ (2,475,039)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by operating Activities			
Depreciation Expense	310,425	31,610	342,035
Increase (Decrease) in Payables	2,360	(2,361)	(1)
Increase (Decrease) Deposits	(15,284)	(10,829)	(26,113)
Increase (Decrease) in Payroll Liabilities	(1,625)	1,263	(362)
Net Cash Provided by (Used) by Operating Activities	<u><u>\$ (791,657)</u></u>	<u><u>\$ (1,367,823)</u></u>	<u><u>\$ (2,159,480)</u></u>
Cash and Cash Equivalents			
Cash & Cash Equivalents	42,210	\$ 134,944	\$ 177,154
Cash: Restricted - ARPA		351,780	351,780
Total Cash and Cash Equivalents	<u><u>\$ 42,210</u></u>	<u><u>\$ 486,724</u></u>	<u><u>\$ 528,934</u></u>

See Notes to the Financial Statements

COMANCHE COUNTY FACILITIES AUTHORITY

Statement of Fiduciary Net Position - Inmate Trust Fund - Modified Cash Basis

June 30, 2024

	<u>Inmate Trust Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	<u>\$ 45,724</u>
Total Assets	<u><u>45,724</u></u>
Liabilities	<u><u> </u></u>
Net Position	
Restricted for Inmates	<u>\$ 45,724</u>
Total Net Position	<u><u>45,724</u></u>
Total Liabilities and Net Position	<u><u>\$ 45,724</u></u>

See Notes to the Financial Statements

COMANCHE COUNTY FACILITIES AUTHORITY
Statement of Changes in Fiduciary Net Position - Inmate Trust Fund - Modified Cash
Basis
For the Year Ended June 30, 2024

Additions	<u>Inmate Trust Fund</u>
Contributions:	
Inmates	\$ 660,279
Total Additions	<u>660,279</u>
 Deductions	
Beneficiary Payments for Inmates	<u>695,172</u>
Total Deductions	695,172
Change in Net Position	(34,893)
Net Position - Beginning of Year (Note 11)	<u>80,617</u>
Net Position - End of Year	<u><u>\$ 45,724</u></u>

See Notes to the Financial Statements

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Comanche County Facilities Authority is a public trust created and established pursuant to Title 60, Oklahoma Statutes 1991, Section 176 et seq.; as amended and supplemented, the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. The purpose of this trust is to stimulate economic growth and development of Comanche County; to inventory the services, facilities and resources of Comanche County, to own, operate and manage jails, prisons, correctional and related facilities; to foster and promote an improved economic climate within Comanche County and to otherwise promote its general welfare and prosperity and to finance any and all programs, utilities, facilities or resources promoting or intending to promote any of the foregoing and, without restrictions, in furtherance of the foregoing general objectives. The Authority also operates the Emergency Management System.

Related Organizations

Comanche County - Comanche County is the beneficiary of this public trust. The elected Comanche County commissioners are the Authority's trustees. Therefore, the Authority is considered to be a component unit of Comanche County.

The accompanying financial states include all functions and activities over which the Authority exercises financial accountability. Comanche County Facilities Authority is a component unit of the governmental entity of Comanche County, Oklahoma. Comanche County's financial information is not presented in these financial statements. Comanche County financial audits are readily obtainable at www.sai.ok.gov, the State Auditor's website.

Basis of Presentation

The Authority's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. All the activities of the Authority are business type activities. These activities are financed primarily by sales and use taxes from Comanche County.

Proprietary Funds

Enterprise Funds – The Authority maintains that the Comanche County Facilities Authority is an enterprise fund.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (continued)

Detention Center - Accounts for the activities of the public trust in providing jail facilities.

Emergency Management - Accounts for the emergency management services provided to the county.

Measurement Focus and Basis of Accounting

Measurement focus refers to how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recognized and recorded in the financial statements regardless of the measurement focus applied.

The Authority's financial statements use the economic resources measurement focus and are presented on the modified cash basis of accounting. Revenues are recognized when they are received and expenses are recorded when paid with the following modifications:

- Capital assets are recorded when purchased and related depreciation is recorded.
- Employee payroll withholding that has not been deposited with the appropriate parties are recorded as liabilities.
- Long-term debt is recorded when incurred.

This basis is a basis of accounting other than accounting principles generally accepted in the United States of America. If the Authority utilized the basis of accounting recognized as generally accepted, the financial statements would use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

Assets, Liabilities and Net Position

Cash and Cash Equivalents – For the purposes of the statement of cash flows, the Authority considers all cash on hand, demand deposits, interest bearing checking accounts and time deposit accounts including certificates of deposit and U.S. Treasury bills with maturities of three months or less to be cash and cash equivalents.

Restricted Assets – Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are related to ARPA funds.

Capital Assets – Capital assets are stated at cost, net of accumulated depreciation. The Authority capitalizes assets that have a cost of \$5,000 or greater.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (continued)

The range of estimated useful lives by type of asset is as follows:

Jail Facilities	40 Years
Food Service Equipment	25 Years
Equipment/Vehicles	7-10 Years
Emergency Management	10 Years

Current Liabilities – Current liabilities of the Authority include payroll liabilities.

Non-Current Liabilities – Long-term debt to be repaid from Authority resources are reported as non-current liabilities in the Statement of Net Position. The long-term debt is presently comprised of one note (see Note 5).

Net Position – Net Position is divided into three components:

- a. *Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
- b. *Restricted Net Position* - Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* - All other net assets that do not meet the definition of “restricted” or “net investment in capital assets”.

It is the Authority’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Revenues and Expenses

Operating and Non-operating Revenues - Operating revenues are considered those whose cash flows are related to operating activities, while revenues related to financing, capital and investing activities are reported as non-operating.

Expenses - The Authority reports expenses relating to the use of economic resources.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (continued)

Estimates

Certain estimates are made in the preparation of these modified cash basis financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

Note 2 – Deposits, Investments, and Collateral

Deposits and Investments - The Authority does not have a written investment policy that limits its investment choices. Investments are limited by *Oklahoma Statutes* and the trust indenture. The Authority held deposits at June 30, 2024, of \$937,240.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a written policy for custodial risk, but *Oklahoma Statutes* require collateral for all uninsured deposits of public trust funds in financial institutions. The Federal Deposit Insurance Corporation insures deposits up to \$250,000 at each institution for all demand deposit accounts and up to \$250,000 at each institution for all time and savings accounts. At June 30, 2024, the Authority was not exposed to custodial credit risk.

Note 3 – Restricted Assets

The amounts reported as restricted assets on the Statement of Net Position consist of funds restricted for inmates and ARPA funds. The restricted assets as of June 30, 2024, consisted of \$351,780 in ARPA funds.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 4 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

<u>Detention Center</u>				
	<u>Balance</u>			<u>Balance</u>
	<u>6/30/23</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/24</u>
Assets Being Depreciated:				
Right of Use	\$ 45,269	\$ -	\$ 20,682	\$ 24,587
Equipment	280,114	22,081		302,195
Food Service Equipment	162,263			162,263
Vehicles	197,316	43,059		240,375
Facilities	10,673,307			10,673,307
Computer Equip/Software	124,302			124,302
Furniture and Fixtures	22,078			22,078
	<u>11,504,649</u>	<u>65,140</u>	<u>20,682</u>	<u>11,549,107</u>
LESS ACCUMULATED DEPRECIATION				
Equipment	167,896	22,906		190,802
Food Service Equipment	115,388	10,806		126,194
Vehicles	190,910	7,531		198,441
Facilities	5,060,404	259,619		5,320,023
Computer Equip/Software	98,715	9,112		107,827
Furniture and Fixtures	20,634	451		21,085
	<u>5,653,947</u>	<u>310,425</u>	<u>-</u>	<u>5,964,372</u>
NET CAPITAL ASSETS	<u>\$ 5,850,702</u>	<u>\$ (245,285)</u>	<u>20,682</u>	<u>\$ 5,584,735</u>

<u>Emergency Management</u>				
	<u>Balance</u>			<u>Balance</u>
	<u>6/30/23</u>	<u>Increase</u>	<u>Decrease</u>	<u>6/30/24</u>
Assets Being Depreciated:				
Equipment	\$ 155,601	\$ 3,950		\$ 159,551
Vehicles	125,641	106,620	10,829	221,432
Facilities	3,632			3,632
Computer Equip/Software	25,850	23,012		48,862
Furniture and Fixtures	2,425			2,425
	<u>313,149</u>	<u>133,582</u>	<u>10,829</u>	<u>435,902</u>
LESS ACCUMULATED DEPRECIATION				
Equipment	110,183	11,544		121,727
Vehicles	84,482	12,884		97,366
Facilities	2,234	43		2,277
Computer Equip/Software	22,050	7,139		29,189
Furniture and Fixtures	2,425	-		2,425
	<u>221,374</u>	<u>31,610</u>	<u>-</u>	<u>252,984</u>
NET CAPITAL ASSETS	<u>\$ 91,775</u>	<u>\$ 101,972</u>	<u>\$ 10,829</u>	<u>\$ 182,918</u>

Prior year Detention Center assets have been restated to include right of use assets with capital assets. This increases beginning capital assets by \$45,269.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 4 – Capital Assets (continued)

Depreciation expense for the year was charged to functions as follows:

Detention Center	\$ 310,425
Emergency Management	31,610
Total Depreciation Expense for Business-Type Activities	<u>\$ 342,035</u>

Note 5 – Long-term Debt/ Line of Credit

Note Payable - Comanche County Facilities Authority Sales Tax Anticipation Note, Series 2014. In August 2014 the Authority approved a resolution to issue a sales tax anticipation note. This note is a Supplemental Indenture of the Sales Tax Revenue Bonds Series 2001 and is a revolving line of credit with outstanding principal limited to \$ 900,000. This note was funded by the Comanche County Home Finance Authority, to fund jail improvements and operational costs until the increased sales tax collections were realized. Initial funding was \$ 750,000 leaving \$150,000 unused line of credit. Repayment is at the discretion of the Authority Board, as funds become available. The interest rate is variable and determined as the best rate for a 1 year Certificate of Deposit at BancFirst of Lawton, Oklahoma, on the anniversary month, August. This note is secured by a Sales Tax Agreement between the Authority and the County. In 2001, the Authority issued bonds payable from the proceeds of a one-fourth of one percent (1/4%) sales tax for the purpose of constructing and equipping the Comanche County jail facilities, which bonds have been retired. That percentage was reduced and extended in 2007 and has now been replaced by three-eighths of one percent (3/8%) sales tax approved by the voters and became effective January 1, 2015. In the event a default occurs with respect to this note, the holder hereof shall be entitled to recover from the Authority, in addition to all other sums then due, the holder's reasonable costs of collection, including a reasonable fee for the holder's attorney.

Changes in long-term obligations for the year ended June 30, 2024, are as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Business-type Activities:				
Notes from Direct Borrowing	\$ 277,354	\$ -	\$ -	\$ 277,354

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 6 – Employee Pension Plans

Plan Description - The Comanche County Facilities Authority, as the employer, participates in the Oklahoma Public Employees Retirement Plan - a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Title 74 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPERS. OPERS issues a publicly available financial report that can be obtained at www.opers.ok.gov.

Benefit Provisions - OPERS provides retirement, disability, and death benefits to members of the plan. Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect to early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Benefits are calculated for each member category as follows:

Employees

Benefits are determined at 2 % of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member on or after November 1, 2011.

Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5% computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 6 – Employee Pension Plans (continued)

permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.

Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Upon the death of an active member, the accumulated contributions of the member are paid to the member's named beneficiary(ies) in a single lump sum payment. If a retired member elected a joint annuitant survivor option or an active member was eligible to retire with either reduced or unreduced benefits or eligible to vest the retirement benefit at the time of death, benefits can be paid in monthly payments over the life of the spouse if the spouse so elects.

Upon the death of a retired member, the Plan will pay \$5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

Funding Policy - The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Employees are required to contribute 3.5% of the employees' annual pay. Participating entities are required to contribute 16.5% of the employee's annual pay.

The Authority's contributions to the Plan for the years ending:

June 30, 2020	\$ 349,718
June 30, 2021	\$ 343,882
June 30, 2022	\$ 432,954
June 30, 2023	\$ 400,863
June 30, 2024	\$ 437,176

Note 7 – Lease Agreement and Operation and Maintenance Contract

On July 1, 2001 the County (lessor) and the Authority (lessee) entered into a lease agreement and operation and maintenance contract, whereby the Authority leases the jail facilities from the County and agrees to operate and maintain the jail facilities or to pay the cost thereof. The lease term commences July 1, 2001 and ends June 30, 2041, unless terminated sooner: provided that all indebtedness secured by the facilities has been paid.

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 8 – Risk Management

The Authority is exposed to various risks of loss related to torts theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates in a risk pool to cover these risks, including general and auto liability, property damage, public officials' liability and blanket bond coverage. The risk pool is the Association of County Commissioners of Oklahoma-Self Insured Group (ACCO-SIG) that operates as a common risk management and insurance program and is to be self-sustaining through member premiums. If claims exceed pool assets, the Authority would have to pay its share of the pool deficit. The lines of coverage and limits of liability afforded by ACCO-SIG are subject to a \$10,000 deductible and are as follows: Blanket Bond Coverage \$100,000, Comprehensive General Liability \$1,000,000, and Public Officials Wrongful Acts, \$2,000,000.

There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three fiscal years.

Note 9 – Commitments and Contingencies

Compensated Absences

As a result of the Authority's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (accumulated but unused vacation leave, compensatory time earned but unpaid at year-end and banked holiday) are not reflected in the financial statements. At June 30, 2024 the liabilities are as follows: the Detention Center \$517,597 and Emergency Management \$30,983.

Note 10 – Right of Use Assets

On September 16, 2020 the Authority entered into a lease for 60 months for copiers. This lease requires monthly payments of \$1,436 in aggregate with a discount rate of 7.5%.

On August 23, 2022 the Authority entered into a lease for 36 months for copiers. This lease requires monthly payments of \$337 in aggregate with a discounted rate of 7.5%.

The following summarizes the future minimum payment required under operating lease for right-of-use assets at June 30, 2024:

	Year Ending	
<u>June 30</u>		<u>Amount</u>
2025		\$ 21,274
2026		<u>3,546</u>
Total Minimum Lease Payments		24,819
Less Amount Representing Interest		<u>232</u>
Present Value of Minimum Lease Payments		<u>\$ 24,587</u>

COMANCHE COUNTY FACILITIES AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note 11– GASB Statement No. 84 – Fiduciary Activities

The Authority adopted GASB NO. 84 as it relates to Inmate trust funds. This statement requires a Statement of Net Position and a Statement of Changes in Net Position for custodial funds. These statements are presented on pages 7 and 8 respectively. The adoption of this standard require the Authority to restate beginning cash for the Detention Center on the cash flow statement. The inmate trust fund cash account is no longer on the cash flow statement. Beginning cash balance on the cash flow statement for the Detention Center has been reduce by \$80,617. The Inmate Trust Fund restatement is as follows:

	<u>6/30/2023</u>	<u>Corrections</u>	<u>6/30/2023</u> <u>Restated</u>
Fiduciary Fund:			
Inmate Trust Fund	\$ -	\$ 80,617	\$ 80,617

Note 12– Related Party Transactions

Comanche County pays the insurance premiums for the Authority’s property and liability insurance. Comanche County paid premiums in the amount of \$156,017 for the fiscal year 23-24.

Note 13– Prior Period Adjustment

It was discovered during the audit that a bank account existed in the name of the Comanche County Facility Authority with the Bank of Oklahoma from 2014 construction fund. The amount in this fund at the beginning of the reporting period was \$47,689. Net position at the beginning of the year has been increased by this amount.

Note 14– Subsequent Events

Management has evaluated subsequent events through the date of the independent auditors’ report, which is the date the financial statements were available to be issued.

CHRISTOPHER C. TURNER CPA PLLC

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of Trustees
Comanche County Facilities Authority
Lawton, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the business-type activities of the Comanche County Facilities Authority, Lawton, Oklahoma, a component unit of Comanche County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated, March 25, 2025. Our report on the financial statements disclosed, that, as described in Note 1 to the financial statements, the Authority prepares its financial statements on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Comanche County Facilities Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comanche County Facilities Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Christopher C. Turner CPA PLLC
Lawton, Oklahoma
March 25, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Board of Trustees
Comanche County Facilities Authority
Lawton, Oklahoma

Opinion on Each Major Federal Program

We have audited Comanche County Facilities Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Comanche County Facilities Authority's major federal programs for the year ended June 30, 2024.

In our opinion, Comanche County Facilities Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Comanche County Facilities Authority, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Comanche County Facilities Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Comanche County Facilities Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error,

and express an opinion on Comanche County Facilities Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Comanche County Facilities Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Comanche County Facilities Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Comanche County Facilities Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Comanche County Facilities Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these

limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christopher C. Turner". The signature is fluid and cursive, with the first name and last name clearly legible.

Christopher C. Turner CPA PLLC

Lawton, OK

March 25, 2024

**Comanche County Facilities Authority
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2024**

<u>Federal Grantor Agency/Grant Program/Grant Number</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Treasury			
Pass Through Comanche County Oklahoma:			
Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	\$ 1,554,760
Total	21.027		\$ 1,554,760
Total U.S. Department of Treasury Expenditures of Federal Awards			\$ 1,554,760

Comanche County Facilities Authority
Notes to the Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2024

1. Basis of Presentation

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents the activity of the federal awards program of Comanche County Facilities Authority (the Authority) for the year ended June 30, 2024. Federal awards received directly from federal agencies and expended by the Authority are included in the schedule. Although the Authority is required to match certain grants, as defined therein, no such matching has been included in the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards has been prepared on the basis of accounting as defined by Uniform Guidance. Under this basis, expenditures are recognized when the activity related to the award occurs.

3. Risk-Based Audit Approach

The dollar threshold to distinguish between Type A and Type B programs is \$750,000. The Authority does not qualify as a low-risk auditee.

4. Sub-Recipients

Of the expenditures presented in the schedule, The Authority did not provide any awards to sub-recipients.

5. Outstanding Federal Loans

The Authority has no federal loan obligations as of June 30, 2024.

6. Indirect Cost Rate

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for the year ended June 30, 2024.

**Comanche County Facilities Authority
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024**

Section 1—Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued:

Internal control over financial reporting

• Material weakness(es) identified? Yes ☐ No ☒

• Significant deficiency identified that is not considered to be material weaknesses? Yes ☐ No ☒

Noncompliance material to financial statements noted? Yes ☐ No ☒

Federal Awards

Internal control over major programs:

• Material weakness(es) identified? Yes ☐ No ☒

• Significant deficiency identified that is not considered to be material weaknesses? Yes ☐ No ☒

Identification of Major Programs:

Assistance Listing Number

21.027

Name of Federal Program
or Cluster

U.S. Department of
Treasury: Covid-19 Public
Health Funds

Dollar threshold used to distinguish between Type A and Type B programs?

\$750,000

Auditee qualified as low-risk? Yes ☐ No ☒

**Comanche County Facilities Authority
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024**

Section 2—Financial Statement Findings

None

Section 3 – Findings and Questioned Costs – Major Federal Program Audit

None

Section 4 — Prior Audit Finding and Questioned Costs:

None